

**Illinois Commerce Commission**  
**SBC/Ameritech Illinois Merger, Docket 98-0555**  
**Performance Benchmarks Collaborative, Condition 30**  
**Final Meeting Minutes From 1/6/2000**  
**Modified and Approved 1/18/2000**

The first Performance Measures collaborative was held on January 6, 2000 at the Illinois Commerce Commission (ICC) offices in Chicago, Illinois. Below are the minutes from that meeting.

Sam McClerren, ICC Staff, presided over the meeting.

Meeting Purpose

Mr. McClerren explained that the purpose of the collaborative was to respond to the requirements of SBC/Ameritech merger Condition #30. The major points of Condition #30 were recapped for the group.

Mr. McClerren stated that he viewed the initial meeting as procedural in nature, and most issues would be discussed at subsequent meetings.

Handouts/Priority of Issues/Administrative Matters

Mr. McClerren, assisted by Sal Fioretti of SBC/Ameritech, led discussions regarding meeting handouts, priority of issues and administrative matters.

Mr. McClerren provided the group with copies of the SBC/Ameritech Merger Order pages addressing Condition #30 and related language from the Amendatory Order on Rehearing.

Mr. Fioretti furnished copies of 1) the 122 Texas Performance Measures 2) a Draft Performance Measures Implementation Schedule 3) a document to facilitate a Parity vs. Benchmark follow-up discussion and 4) a handout identifying those performance measures currently identified as technically infeasible.

Mr. McClerren reviewed administrative matters for future collaborative meetings. The participants concurred with the following:

- Subject matter experts are the recommended participants
- Discussions will be "off the record" until final positions are developed. Final positions, decisions, agreements, disagreements, will be documented.
- Attire will be business casual.

Mr. McClerren polled the group to determine a schedule for additional meetings and the timing of the meetings. AT&T asked if SBC/Ameritech intended to discuss the items listed as "specific merger obligations" on the agenda, i.e., technical infeasibility, parity or Texas benchmark and schedule/timeline, within the remaining 60-day time period before an initial implementation plan is filed. Mr. Fioretti stated that it is SBC/Ameritech's plan to resolve those items as quickly as possible. He further explained that SBC/Ameritech would be using the performance measure business rules which were established at the time of the merger, Texas version 1.6, dated July 20, 1999, to comply with the merger requirements.

Mr. McClerren inquired whether the annual remedies cap in the Texas plan had been increased. Mike Gillam of SBC stated that SBC has offered to increase the cap to \$225 million based upon a comparable amount in the Bell Atlantic New York 271 plan. The Texas Commission is currently evaluating the SBC proposal.

AT&T asked if modifications to the performance measures would be discussed within the 60-day timeframe. Mr. Fioretti posited that if discussions and agreements on the specific merger obligations were completed the group could move to discuss other items.

AT&T asked whether the statistical modified Z-Test, which is used in the Texas plan to evaluate actual results for parity and benchmark measures, would be a part of the initial performance measurements implementation. Mr. Fioretti stated that the initial deployment will include the use of the Z-test for both types of measures as is done in Texas. AT&T wanted to discuss the appropriateness of the Z-test benchmark measures within the 60-day timeframe. It did not agree with the application of the statistical test to a benchmark and asserted that SBC/Ameritech is picking and choosing which parts of the Texas plan to implement.

AT&T suggested that the merger agreement provides an opportunity for parties to discuss remedy plans within the 60-day period. It also asserted that since statistics are an integral part of the remedy plan, the application of the modified Z-test to benchmarks should be addressed in that timeframe.

Mr. McClerren responded that it was his interpretation that if SBC/Ameritech proposed to change items from the Texas plan, they could be discussed within the 60 days.

AT&T and MCI asked if access to raw data will be provided. Mr. Fioretti stated that access to raw data will be provided in a manner similar to that provided in Texas. The group requested an explanation of the current method of accessing raw data in Texas and Mr. Fioretti agreed to address this issue at the next meeting.

Sprint asked if changes to the standards and benchmarks were within the scope of the 60-day discussion. Mr. McClerren stated that if SBC/Ameritech proposed changes to standards and/or benchmarks they need to be discussed within the 60 days; however, if another party proposed changes, those would be discussed outside the 60-day timeframe.

Based on the items discussed above the group concurred that the next collaborative meeting would require two days and will be held on Tuesday and Wednesday, January 18 and 19, 2000 at the ICC offices in Chicago. Mr. McClerren will provide the group with the specific location. The meeting will begin at 11:00 AM on January 18 and continue as long as necessary. On January 19, the meeting will begin at 9:00 AM and conclude by 4:00 PM. Additional meetings will be scheduled at that time.

Mr. McClerren stated that all documents will be posted to the ICC web site. A specific site for Condition #30 has been established as a link from the existing ICC web site. The address is **Error! Bookmark not defined..**

Mr. McClerren polled the group to determine if anyone would like to assist with the taking of meeting minutes. Absent comment from the group Ameritech will take the meeting minutes which will be posted to the ICC web site for review and comment. The minutes will be approved at the next collaborative meeting.

Mr. McClerren then turned the meeting over to Mr. Fioretti to review the documents that had been handed out by SBC/Ameritech. The first document provided a list of the 122 Texas Performance Measures. It was noted that if the items were actually counted separately, there would be 128 items due to the additional measures provide for some numbers such as 10.1, 10.2 and 10.3.

The second document furnished a draft performance measurement implementation schedule. Mr. Fioretti noted that the dates for the initial measurements to be posted to the web-site were listed with the FCC measure posting date (1/6) and that a corrected version would be made available for posting on the web-

site. It was emphasized that the schedule is a draft and subject to change. The column headings were explained and SBC/Ameritech's proposal for a rolling remedy implementation plan was outlined.

The third document included a parity vs. benchmark comparison. Mr. Fioretti stated that the Order requires the implementation of a parity comparison with retail for evaluating wholesale performance unless SBC/Ameritech can demonstrate that no reasonable retail analog exists. Per the document, SBC/Ameritech has mapped the measures to four categories; parity by design, diagnostic measures, measures with a possible retail analog and measures with no retail analog. This information was provided as background in preparation for discussion at the next meeting.

AT&T stated that it could agree to the parity by design list if SBC/Ameritech would certify this design via an audit. Mr. Fioretti stated that SBC/Ameritech would consider that option, but would also like AT&T to give further thought to that request. These particular measures evaluate functions that, by design, make no distinction between the manner in which retail and wholesale services are provided. In other words, both services use the same process and the data that is reported is reported in the aggregate (retail and wholesale).

AT&T asked what procedure exists to resolve items when a disagreement occurs on whether or not a retail analog exists. Mr. McClerren stated that the Order does not specifically address this and that the goal is to resolve these issues in the collaborative. Otherwise, the Commission would resolve the dispute.

The final document detailed measurements that SBC/Ameritech currently viewed as Technically Infeasible. AT&T concurred with the list. Sprint and MCI requested time to review it with their subject matter experts. Adoption of the list was deferred until the next meeting.

The floor was opened for other items and none were raised.